Radion Trading Sdn Bhd v Sin Besteam Equipment Sdn Bhd & Ors

HIGH COURT (KUALA LUMPUR) — SUIT NO D5(IP)-22–1152 OF 2005
AZAHAR MOHAMED J
5 APRIL 2010

Trade Marks — Intellectual property — Copyright — Infringement — Technical design drawings — Plaintiff sought injunction restraining defendants from continuing alleged infringing act — Whether artistic works authored by plaintiff's director were original works protectable under Copyright Act 1987 — Whether copyright in works vested in plaintiff as employer — Whether defendants' automatic swing gate actuator infringed plaintiff's copyright — Whether there was inference of copying between plaintiff's and defendants' automatic swing gate actuator

The plaintiff company was one of the biggest three manufacturers of automatic swing gate actuators in Malaysia and had been supplying the local and international markets with its automatic swing gate actuators for more than 20 years. It was alleged by the plaintiff that its director, Yeong Wong Song ('the plaintiff's director') had first created the technical design drawings for the automatic swing gate actuator ('the first work') and that the first work was later refined by him for the purpose of filing a patent application ('the second work'). The plaintiff claimed it was the owner of the copyright subsisting in both the first and second works since both works were created by the plaintiff's director during the course of his employment with the plaintiff company. The plaintiff's director had also made a statutory declaration pursuant to s 42 of the Copyright Act 1987 ('the Act') claiming copyright ownership to the first and second works. The second defendant, trading under the name and style of CPT Security Systems, was at all material times, inter alia, in the business of distributing security systems and automatic gate systems, and the principal director of the third defendant, which was also at all material times in the business of trading, inter alia, in security systems and automatic gate systems. The second defendant was also an agent and/or dealer of the plaintiff for the distribution of the plaintiff's automatic swing gate for almost a year. The plaintiff commenced an action against the defendants for infringement of copyright and had obtained a judgment in default against the first defendant. It was the plaintiff's case that the second and third defendants had infringed the copyright that it had in the first and second works by distributing the infringing articles to the public by sale without the consent or licence of the plaintiff. As evidence of such distribution, the plaintiff called upon a witness ('the plaintiff's witness') who had purchased a set of the automatic gate system from the second defendant. By this action the plaintiff prayed, inter alia, for a

permanent injunction to restrain the defendants from infringing the copyright, for an order that the defendants deliver to the plaintiff or its agents any component parts or material in their control that could be used for the manufacture of the infringing articles, damages, interest and costs. In their defence the second and third defendants alleged that they had purchased the automatic swing gate actuator from the first defendant believing the same to be lawfully manufactured and imported by the first defendant; that they had no knowledge of the existence of any copyright in the first and second works; that the plaintiff's claim that it was the owner of the copyright to the first and second works was wrongful and fraudulent because there was a patent application filed in the UK ('the UK patent') for an automatic swing gate actuator that was identical to the first and second works; and that the first and second works were not eligible for protection under the Act. The second and third defendants also denied having sold the infringing articles to the plaintiff's witness. The second the third defendants then counterclaimed against the plaintiff on the grounds that the injunction obtained by the plaintiff led to the defendants' products being seized and prevented them from selling their products. The issues for the court's determination involved a consideration of whether the first and second works were original works protectable under the Act; whether the plaintiff was the owner of the copyright in the first and second works; and whether the second and third defendants' automatic swing gate actuator infringes the plaintiff's copyright.

Held, allowing the plaintiff's claim against the second and third defendants and dismissing the second and third defendants' counterclaim:

(1) Although the defendants challenged the originality of the plaintiff's works, their argument was untenable because what both the patents of the plaintiff professed to protect were not relevant to the matter at hand; patent and copyright are two distinct fields of intellectual property. It was incorrect to employ the claims in a patent specification to regulate or limit the scope of copyright protection over an artistic work of a device, which may incidentally correlate or form part of the patented invention (see para 33).

(2) After examining the plaintiff's design drawings and the design drawings of the other patents, which the defendants argued the plaintiff's works were copied from, it was found that the design drawings of the other patents were very different from the plaintiff's works. Thus in dealing with the issue pertaining to the originality of the plaintiff's works it was found that the plaintiff's director had expended sufficient efforts to make the works original in character. Further, as the plaintiff's director, who was the author of the works, was employed by the plaintiff when the first and second works were created, the plaintiff became the owner of the copyright at the material time under s 26(2)(b) of the Act. In addition when the plaintiff's

director made a statutory declaration pursuant to s 42 of the Act claiming copyright ownership to the first and second works the burden was placed upon the infringer to dispute and challenge the prima facie evidence adduced by the copyright owner. Since the defendants had only raised bare denials to rebut the prima facie evidence, the plaintiff director's averments in the statutory declaration had not been successfully challenged or rebutted. There was also no legal requirement that the statutory declaration had to be made contemporaneously with the creation of the works (see paras 37–38, 40, 42–43 & 45).

(3) In the present case, the plaintiff had adduced evidence of an actual causal connection between the second and third defendants' automatic swing gate actuator and the plaintiff's. Being a dealer of the plaintiff's product, the second and third defendants must have acquired an in-depth knowledge about the plaintiff's product to be able to sell it their customers. A visual comparison between the plaintiff and the defendants' automatic swing gates showed substantial similarities. Having taken into consideration these substantial similarities a prima facie inference of copying arose, which the second and third defendants had failed to justify (see paras 51–52, 58 & 61).

[Bahasa Malaysia summary

Plaintif syarikat merupakan salah satu daripada tiga pengilang terbesar penggerak pagar berayun automatik di Malaysia dan telah membekal di pasaran tempatan dan antarabangsa penggerak pagar berayun automatiknya selama lebih 20 tahun. Plaintif mengatakan bahawa pengarahnya, Yeong Wong Song ('pengarah plaintif') yang mula-mula mencipta lukisan-lukisan reka bentuk teknikal untuk penggerak pagar berayun automatik itu ('kerja pertama') dan bahawa kerja pertama tersebut kemudian telah diperhalusi olehnya bagi tujuan memfailkan permohonan paten ('kerja kedua'). Plaintif mendakwa dia adalah pemilik hak cipta untuk kedua-dua kerja pertama dan kedua memandangkan kedua-dua kerja tersebut dicipta oleh pengarah plaintif semasa dia bekerja dengan syarikat plaintif. Pengarah plaintif juga telah membuat deklarasi statutori menurut s 42 Akta Hak Cipta 1987 ('Akta tersebut') menuntut milikan hak cipta terhadap kerja-kerja pertama dan kedua. Defendan kedua, berniaga di bawah nama dan gaya CPT Security Systems, telah pada setiap masa matan, antara lain, dalam perniagaan mengedar sistem keselamatan dan sistem pagar automatik dan pengarah utama defendan ketiga, yang juga pada setiap masa matan dalam perniagaan dagangan, antara lain, dalam sistem keselamatan dan sistem pagar automatik. Defendan kedua juga adalah ejen dan/atau peniaga untuk pengedaran pagar berayun automatik plaintif selama lebih kurang setahun. Plaintif telah memulakan tindakan terhadap defendan-defendan kerana melanggar hak cipta dan telah mendapat penghakiman ingkar terhadap defendan pertama. Ini

A adalah kes plaintif bahawa defendan-defendan kedua dan ketiga telah melanggar hak cipta tersebut yang terdapat dalam kerja-kerja pertama dan kedua dengan mengedar artikel-artikel yang menyalahi tersebut kepada orang awam melalui jualan tanpa persetujuan atau lesen plaintif. Sebagai keterangan pengedaran tersebut, plaintif telah memanggil saksi ('saksi plaintif') yang telah B membeli satu set sistem pagar automatik daripada defendan kedua. Melalui tindakan ini plaintif memohon, antara lain, untuk injunksi tetap menghalang defendan-defendan daripada melanggar hak cipta tersebut, untuk perintah bahawa defendan-defendan menyerahkan kepada plaintif atau ejennya apa-apa bahagian komponen atau bahan dalam kawalan mereka yang boleh digunakan C untuk pembuatan artikel-artikel yang menyalahi, ganti rugi, faedah dan kos. Dalam pembelaan mereka defendan-defendan kedua dan ketiga mengatakan bahawa mereka telah membeli penggerak pagar berayun automatik daripada defendan pertama dengan mempercayai yang sama telah dibuat secara sah dan diimport oleh defendan pertama; bahawa mereka tiada pengetahuan tentang D kewujudan apa-apa hak cipta dalam kerja-kerja pertama dan kedua; bahawa tuntutan plaintif yang ia pemilik hak cipta terhadap kerja-kerja pertama dan kedua adalah salah dan berunsur fraud kerana terdapat permohonan paten yang telah difailkan di UK ('paten UK') untuk penggerak pagar berayun E automatik itu yang sama dengan kerja-kerja pertama dan kedua; dan bahawa kerja-kerja pertama dan kedua itu tidak layak dilindungi di bawah Akta tersebut. Defendan-defendan kedua dan ketiga juga menafikan telah menjual artikel-artikel yang menyalahi itu kepada saksi plaintif. Defendan-defendan kedua dan ketiga kemudian menuntut balas terhadap plaintif atas alasan F bahawa injunksi yang diperoleh oleh plaintif membawa kepada hasil-hasil kerja defendan-defendan dirampas dan menghalang mereka daripada menjual hasil-hasil kerja mereka. Isu-isu untuk penentuan mahkamah termasuklah pertimbangan sama ada kerja-kerja pertama dan kedua adalah kerja-kerja asal yang dilindungi di bawah Akta tersebut; sama ada plaintif adalah pemilik hak cipta terhadap kerja-kerja pertama dan kedua; dan sama ada penggerak pagar G berayun automatik defendan-defendan kedua dan ketiga telah melanggar hak cipta plaintif.

Diputuskan, membenarkan tuntutan plaintif terhadap defendan kedua dan ketiga dan menolak tuntutan balas defendan kedua dan ketiga: H

(1) Meskipun defendan-defendan mencabar keaslian kerja-kerja plaintif, hujah mereka tidak dapat dipertahankan kerana apa yang kedua-dua paten plaintif mengaku untuk lindungi tidak relevan kepada perkara di sini; paten dan hak cipta merupakan dua bidang harta intelektual yang I berbeza. Adalah tidak betul untuk menggunakan tuntutan-tuntutan dalam spesifikasi paten untuk mengawal atau membatas skop perlindungan hak cipta ke atas kerja-kerja seni untuk suatu peranti, yang secara kebetulan boleh berhubung kait atau membentuk sebahagian daripada ciptaan yang dipatenkan (lihat perenggan 33).

(2) Setelah memeriksa lukisan-lukisan reka bentuk plaintif dan lukisan-lukisan reka bentuk paten-paten lain, yang mana defendan-defendan berhujah kerja-kerja plaintif telah ditiru, ia didapati bahawa rekaan lukisan-lukisan paten-paten lain amat berbeza daripada kerja-kerja plaintif. Oleh itu apabila berurusan dengan isu berkaitan keaslian kerja-kerja plaintif adalah didapati bahawa pengarah plaintif telah melaksanakan segala usaha untuk membuat kerja-kerja tersebut asli sifatnya. Bahkan, sebagai pengarah plaintif, yang merupakan pencipta kerja-kerja tersebut, telah diambil bekerja oleh plaintif apabila kerja-kerja pertama dan kedua dicipta, plaintif menjadi pemilik hak cipta pada masa matan di bawah s 26(2)(b) Akta tersebut. Tambahan pula apabila pengarah plaintif membuat deklarasi statutori menurut s 42 Akta tersebut menuntut pemilikan hak cipta terhadap kerja-kerja pertama dan kedua beban terletak ke atas orang yang dikatakan melanggar hak cipta untuk mempertikai dan mencabar keterangan prima facie untuk mengemukakan pemilik hak cipta. Memandangkan defendan-defendan hanya membangkitkan penafian semata-mata untuk mematahkan keterangan prima facie, penegasan-penegasan pengarah plaintif dalam deklarasi statutori tidak dicabar atau dipatahkan dengan jayanya. Tiada juga keperluan di sisi undang-undang bahawa deklarasi statutori hendaklah dibuat semasa dengan ciptaan kerja-kerja tersebut (lihat perenggan 37–38, 40, 42–43 & 45).

(3) Dalam kes ini, plaintif telah mengemukakan keterangan tentang kaitan sebab sebenar antara penggerak pagar berayun automatik defendan-defendan kedua dan ketiga dengan plaintif. Sebagai peniaga hasil kerja plaintif, defendan-defendan kedua dan ketiga perlu memperoleh pengetahuan mendalam tentang hasil kerja plaintif agar dapat menjualnya kepada pelanggan-pelanggan mereka. Perbezaan visual antara pagar-pagar berayun automatik plaintif dan defendan-defendan menunjukkan banyak persamaan. Setelah mempertimbangkan persamaan-persamaan ketara tersebut satu inferens prima facie tentang peniruan dibangkitkan, yang mana telah gagal dijustifikasikan oleh defendan-defendan kedua dan ketiga (lihat perenggan 51–52, 58 & 61).]

Notes

For cases on trade marks in general, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 1927–2216.

Cases referred to

Honda Giken Kogyo Kabushiki Kaisha v Allied Pacific Motor (M) Sdn Bhd & Anor [2005] 3 MLJ 30, HC (refd)

Ibcos Computers Ltd v Barclays Merchantile Highland Finance Ltd [1994] FSR 275 (refd)

Ladbroke (Football) v William Hill (Football) Ltd [1964] 1 All ER 465, HL (refd)

Longman Malaysia Sdn Bhd v Pustaka Delta Pelajaran Sdn Bhd [1987] 2 MLJ 359; [1987] 1 CLJ 588, HC (refd)

Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise) [2009] 3 MLJ 525, HC (folld)

Microsoft Corporation v Yong Wai Hong [2008] 3 MLJ 309, CA (refd)

Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd and another action [1993] 1 MLJ 225, HC (folld)

Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd [2005] 3 MLJ 552; [2005] 1 CLJ 200, HC (refd)

Legislation referred to

Companies Act 1965
Copyright Act 1987 ss 3, 7, 7(3), 13(1), 13A, B, C, 26(2)(b), 36, 42
Copyright (Amendment) Act 1996 s 12
Patents Act 1983 s 14

Teo Bong Kwang (Chong Tze Lin with him) (Wong Jin Nee & Teo) for the plaintiff.
Beh Chee Wei (Beh & Co) for the second and third defendants.

Azahar Mohamed J:

[1] The subject matter of this action is a device, namely an automatic swing gate actuator that is used to open gates of various sizes via a swing action whereby the motorised swing gate actuator has an arm connecting to the gate to perform both open and close actions when a signal is transmitted from a remote control to its receiver. The plaintiff claims that copyright subsists in original artistic works in the form of technical design drawings for the automatic swing gate actuator. Before I embark to consider the issues arise for decision, I think it is useful to state very briefly the rival contentions of the parties. At the outset, an important fact to bear in mind is that the plaintiff has obtained a judgment in default against the first defendant.

THE PLAINTIFF'S CLAIM

[2] The plaintiff is a company registered under the Companies Act 1965 and carries on business, inter alia, as manufacturer and supplier of automatic swing gate actuators and its related components.

[3] The plaintiff's claim is based on one and only cause of action, namely infringement of copyright.

[4] The plaintiff claims that copyright subsists in original artistic works in the form of technical design drawings for the automatic swing gate actuator and its component parts. The plaintiff's director, Yeong Wong Song ('PW1') on or before 28 June 1992 ('the first work'), first created the technical design drawings in question. The first work was later refined by PW1 for the purpose of filing a patent application on or before 26 August 1992 ('the second work').

[5] The plaintiff claims that it is the owner of the copyright subsisting in the said drawings as PW1 has created the first work and the second during the course of his employment with the plaintiff.

[6] On 5 May 2006, PW1 has made a statutory declaration pursuant to s 42 of the Copyright Act 1987 ('the Act') claiming copyright ownership to the first work and the second work.

[7] On or about 30 June 2005, the second defendant sold one (1) set of the automatic gate system which, inter alia, consists of a pair of the infringing articles bearing the brand name 'CMX' to one Krishna a/l Mahendar Singh ('PW2').

[8] The plaintiff claims that the second and third defendants have infringed the copyright subsisting in the said drawings by distributing the infringing articles to the public by sale where the second and third defendants knew or ought to have reasonably known that the making of the infringing articles was carried out without the consent or license of the plaintiff.

[9] As a result, the plaintiff claims, inter alia, the following against the second and third defendants:

(a) A permanent injunction to restrain the defendants infringing the copyright subsisting in the design drawings of the plaintiffs 'automatic gate actuator' or the identified component parts;

(b) An order that the defendants deliver up and surrender to the plaintiffs solicitors, their servants or agents or any third party designated by the plaintiff all infringing articles and/or their component parts thereof, brochures, advertisement materials, wrappers or other printed materials, in the possession custody or control of the defendants or any of them, the use of which would be a breach of the injunction prayed for above and all machinery, apparatus, moulds and other contrivances used for the manufacture of the infringing articles;

(c) An inquiry as to damages for infringement of copyright or at the plaintiff's option an account of profits;

(d) Interest on all sums found due to the plaintiff at such rate and for such period as this court may deem fit; and

(e) Costs.

THE SECOND AND THIRD DEFENDANTS' DEFENCE

[10] The second defendant is a citizen of Malaysia, trading under the name and style of 'CPT Security Systems'. The second defendant is in the business of distributing and selling computer systems parts and accessories, security systems and automatic gate systems.

[11] The second defendant albeit trading under another name called 'Control Point Technology', was an agent and/or dealer of the plaintiff for the distribution of the plaintiff's automatic swing gate system since November 1999 and the plaintiff terminated dealer relationship sometime in December 2000.

[12] The third defendant is a company incorporated in Malaysia and it is in the business of trading in security, alarm systems and automatic swing gate systems. The third defendant shares the same principal business address with the second defendant and that the second defendant is the principal director of the third defendant.

[13] The second and third defendants purchased the automatic swing gate actuator from the first defendant. The second and third defendants have no knowledge of the existence of any copyright in the first and second works and the second and third defendants believed that all automatic gate actuators purchased from the first defendants were lawfully manufactured and imported by the first defendant.

[14] Furthermore, the second and third defendant alleged that the first work and the second work found in schedules 1 and 2 of the statement of claim were copied from the earlier works, which existed before the plaintiff's first and second works. In 1984, a patent application was filed in the United Kingdom for an automatic swing gate actuator and the drawings found therein were if not identical, nevertheless, similar to the first work and the second work created by the plaintiff. Thus, the plaintiff's claim is wrongful and fraudulent.

[15] The first work and the second work said to be created by the plaintiff do not fulfill the requirements for the protection found under the Act and thus they are not eligible for protection under the Act.

[16] The second and third defendants denied that they have sold the infringing articles to PW2. A

[17] For this reason, the second and third defendants have also counterclaimed for the following: First, because of the injunction obtained by the plaintiff, products belonging to the second and third defendants were seized and they were also refrained from selling those products. The second and third defendants were forced to explain to their customers as to why they cannot sell those products and this had affected their reputation. Secondly, because of the injunction obtained by the plaintiff, the second and third defendants had lost many customers because they had purchased automatic swing gate actuators from other sellers. B C

FINDINGS OF COURT

D

[18] The preliminary question to pose would be this: whether the first and second works is in fact original works protectable under the Act.

[19] Under the Act, there are six categories of 'works' that are protected pursuant to s 7 ie literary works, musical works, *artistic works*, films, sound recordings and broadcast. Section 3 of the Act defines 'artistic work' in the following lucid terms: 'graphic work, irrespective of artistic quality' and 'graphic work' in turn, is defined as 'any painting, *drawing*, diagram, map, chart or plan'. E F

[20] The ambit of 'artistic works' protected under the Act has received close analysis in *Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd and another action* [1993] 1 MLJ 225 and more recently *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)* [2009] 3 MLJ 525. These case laws clearly established that design or engineering drawings are protected as artistic works. Further, these cases have established that copyright also extends to 3-dimensional products, which are manufactured based on the 2-dimensional copyright design drawings. G H

[21] The case of *Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd and another action* [1993] 1 MLJ 225 at p 233 concerned engineering or design drawings for slurry pumps. Siti Norma J (as she then was) held that 2-dimensional engineering drawings which lack artistic or aesthetic value are still covered by the ambit of the definition of 'artistic work' found in s 3 of the Act. Further, the 3-dimensional products of such engineering drawings are also within the meaning of the Act. Thus, copyright not only vests in the engineering drawings (2-dimensional) as artistic work but it has been extended I

and enlarged to cover the finished products (3-dimensional) as well and which have been manufactured from the drawings.

[22] As for the case *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)* [2009] 3 MLJ 525, it is related to the design drawings of an anti-car theft system. The court applied the case of *Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd and another action* as cited above and therefore, held that copyright covered not only the drawings of the metal components for an anti-theft system but extended to the metal components thereof, which the plaintiff had manufactured.

[23] From all these, it is my judgment that the relevant design drawings of the plaintiff's automatic swing gate actuator and its components are indeed qualified as 'artistic works'.

[24] I may add that ss 13A, 13B and 13C (the new sections) of the Act have no effect on the validity of the copyright subsisting in the relevant technical drawings of the plaintiff's automatic swing gate actuator. These new sections were inserted by the Copyright (Amendment) Act 1996 (Act A952) with effect from 1 September 1999, vide PU (B) 307/99. However, under s 12 of Act A952, the new sections have no effect on any works where copyright subsisted prior to their coming of force. As noted earlier, the relevant technical drawings of the plaintiff were made before 26 August 1992 and that is why the new sections do not apply to the drawings.

[25] On the issue of 'originality', so far as material to the present case, s 7(3) of the Act provides that, 'A literary, musical or artistic work shall not be eligible for copyright unless:

(a) Sufficient effort has been expended to make the work original in character; and

(b) The work has been written down, recorded or otherwise reduced to material form.

[26] The first work, which contains the original design drawings for the 'automatic swing gate actuator', was created by PW1 on or before 28 June 1992. The first work was later refined by PW1 on or before 26 August 1992 for filing patent applications in Malaysia and the United Kingdom. Both the first work and the second work and their various component parts including the top plate, bottom casing, motor, motor support, in-put shaft, worm gear, actuator arm and out head socket have been adduced as evidence during the trial.

[27] PW1 has given evidence as to the authorship of all design drawings contained in the first work and the second work. PW1 clearly identified that the first work was created on or before 28 June 1992 and the second work on or before 26 August 1992. With reference to all design drawings contained in the first work, the date, which the design drawings were created, and the respective names of the components parts that were clearly shown in the design drawings. In addition, PW1 has testified that the plaintiff is the owner of the copyright subsisting in the first work and the second work and that he has created the works during the course of his employment with the plaintiff.

[28] PW1 has also testified that he executed a statutory declaration claiming copyright ownership to the first work and the second work. The true copies of the first and second works together with the photographs of the 3-dimensional reproductions of the first work and the second work are included in the statutory declaration. More will be said at a later stage of this judgment about the statutory declaration.

[29] PW1 has given evidence to the uniqueness of the plaintiff's 'automatic swing gate actuator'. In addition, the plaintiff's automatic swing gate actuator was patented in Malaysia and the United Kingdom. Besides, there is no other automatic swing gate actuator found in the market, which adopts the same design or configuration as that of the plaintiff's automatic swing gate actuator. PW1 also testified that he has initially started his automatic swing gate system business in 1984 and throughout the years until 1992, his automatic swing gate system had been sold and proven to be reliable in the market. In view of his initial success, PW1 decided to further improve the design, appearance and finishing of his automatic swing gate system by refining his existing drawings and inserting the required dimensions. In this very context, the second and third defendants admitted that the plaintiff is one of the biggest three manufacturers for automatic swing gate actuators. The plaintiff has been supplying the local and international markets with its automatic swing gate actuator for more than 20 years.

[30] To determine the requisite effort that is required for copyright protection to arise, I refer again to *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)* where the learned judge referred to the case of *Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd and another action* and stated the following at pp 533–534:

> The above considerations of the law must now be followed by the facts. The evidence of the plaintiff's managing director (PW1) reveals that the plaintiff's drawing were completed almost 20 years ago, ever since 1990. He has expended substantial amount of skill, labour and effort to make and create the plaintiff's drawings, which

go well beyond a single straight line drawn with the aid of a ruler. The plaintiff had not copied the drawings from other sources. The artistic work is therefore genuine.

The facts of the instant case demonstrate clearly that the plaintiff's artistic work comes within the ambit and purview of s 7(3)(a) ie in terms of sufficient effort which had been expended to make the artistic work original in character, and the degree of effort, skill or labor expended is inextricably linked to the originality of the work.

[31] The House of Lords in the case of *Ladbroke (Football) v William Hill (Football) Ltd* [1964] 1 All ER 465 also discussed this issue and the various members of the bench expressed the following views:

Per Lord Evershed at p 472:

It was also said on the appellant's part that the selection involved in making up the coupons was no more than putting in print that what were called 'ideas' involving, therefore, nothing in the way of original literary work in any sense: and Your Lordships' attention was directed to the well-known proposition that there is no copyright in ideas. My Lords, I have reached a conclusion adverse to these contentions. When one takes one of these coupons in one's hand and looks at it, the right conclusion is, to my mind, that it falls sensibly and properly within the definition of an original literary compilation ... There can, in my judgment, be no doubt on the evidence in the present case that when all the hard work has been done in deciding on the wagers to be offered there still remains the further distinct task, requiring considerable skill, labour and judgment (though of a different kind) of devising the way in which the chosen wagers are expressed and presented to the eye of the customer.

Per Lord Hodson at pp 476–477:

If the respondents have employed more than negligible skill and labour in their selection of sixteen lists containing varieties of bets which they offer to their customers, they are entitled to be protected in respect of their coupons as being original compilations, the evidence shows that this selection was a highly skilled matter involving, as the learned Master of the Rolls said, selections from an infinity of choices and much expenditure of time, money and effort. I agree therefore with the majority of the Court of Appeal that the respondents' coupons are entitled to protection as compilations, for the amount of skill and labour employed is not to be regarded as negligible.

Per Lord Pearce at pp 479–480:

My Lords, the question whether the plaintiffs are entitled to copyright in their coupon depends on whether it is an original literary work. The words 'literary work' includes a compilation. They are used to describe work which is expressed in print or writing irrespective of whether it has any excellence if quality or style of writing ... The word 'original' does not demand original or inventive thought, but only that the work should not be copied and should originate from the author.

[32] The above paragraphs are important principles to follow. Applying them, it is my findings that the first and second works (which definitely are not 'a line drawn with the aid of a ruler', to borrow the phrase of Low Hop Bing J cited above) are artistic works within the definition of the Act. Further, these are original works belonging to the plaintiff.

[33] Learned counsel for the defendants in his submissions challenged the originality of the plaintiff's works. The first of these is by referring to the plaintiffs claim in UK Patent Application No GB 2269 428A and Malaysian Patent Application No MY-110482-A. In this context, he argued that in the said patent applications the claim is only limited to a torque limiting device comprising a sleeve arranged to fit over the output shaft of a motor. In my view, this argument is untenable because what both the patents of the plaintiff professed to protect are not relevant to the matter at hand as patent and copyright are two distinct fields of Intellectual Property Law. The basis of patent is novelty of the subject invention (see: s 14 of the Patents Act 1983). This is important to bear in mind since patents are granted in respect of inventions, ie technological improvements, which contain at least some scintilla of inventiveness over what is previously known (see: *Cornish and Llewelyn, Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (5th Ed), para 1-04). I agree with the submission of learned counsel for the plaintiff that the notion of originality in copyright law is not the same to novelty as found in patent law. The issue of the working mechanism of an automatic swing gate must be distinguished with the design, that is to say, the shape and configuration of the actuator used in the system. Granted that the working mechanism of an automatic swing gate may be the same, but the designs of its constituent parts may be manifestly distinctive. Just like every car operates on the same automotive mechanism but when comes to the design of the car, there are multitude designs emanating from the creative and inventive minds of the designers. In this way, it is incorrect to employ the claims in a patent specification to regulate or limit the scope of copyright protection over an artistic work of a device, which may incidentally correlate or form part of the patented invention.

[34] Learned counsel for the defendants then argued that the plaintiff's works are mere copying or tracing from the drawings found in Patent No MY-108093-A filed by one Wong Kum Soon of Autogates Sdn Bhd and Patent Application No MY-100065-A by Lye Tong Siong and Wong Kim.

[35] I have had the benefit of examining the plaintiff's drawings and the drawings as found in the Patent No MY-108093-A. In comparing all these, I observe and find, inter alia, the differences, which can be briefly described as follows:

(a) One marked difference is that there is no housing found in Patent No MY-108093-A;

(b) The design of the plaintiff's socket (bracket) has two cavities and two concentric circles design. Whereas that of Patent No MY-108093-A does not have these distinctive designs;

(c) The bottom view of the top plate shows that the plaintiff's top plate contains an intricate checkered design whilst Patent No MY-108093-A does not contain any surface design;

(d) The plaintiff's gearbox casing is fastened to the bottom of the top plate using four screws and it is separable from the top plate. The plaintiff's gearbox casing is square, with ridges embossed on its three sides. The plaintiff's gearbox casing also contains a unique hexagonal shaped design and concentric circles. On comparison, the design of Patent No MY-108093-A's gear box casing is much simpler and it is essentially round in shape with three circular cavities;

(e) Apart from the cylindrical shape of the left part of the motor, the rest of the design is distinctly different between the two drawings;

(f) Except for the cylindrical shape of the shaft, the rest are different;

(g) The plaintiff's design of the end plate is trapezium in shape with four screws whereas Patent No MY-108093's design is round in shape with only three screw holes.

[36] Likewise, I have had the benefit of examining the plaintiff's drawings and the drawings as found in the Patent No MY-100065-A. Some of the profound differences include the following:

(a) The inside view of the top plate of the plaintiff shows checkered design patterns. The top plate of Patent No MY-100065-A does not possess any artistic decoration;

(b) The plaintiff's gearbox casing is fastened to the bottom of the top plate using four screws and it is separable from the top plate. The plaintiff's gearbox casing is square, with ridges embossed on its three sides. The plaintiff's gearbox casing also contains a unique hexagonal shaped design and concentric circles. On comparison, the design of Patent No MY-100065-A gearbox casing is much simpler and it is essentially round in shape with three circular cavities.

(c) The plaintiffs housing has ridges on its sides. There is no indentation as shown in the design of Patent No MY-100065. On comparison, the four sides of the housing of Patent No MY-100065 does not have any ridges. Moreover, the sides of Patent No MY-100065 are divided into two parts, with the left part slightly raised up whilst the right part is slightly indented.

[37] Next, I deal with the submission of learned counsel for the defendants that the plaintiff's works are mere tracing and incorporated from prior art known as UK Patent No 2153004A. In this context, I accept the testimony of PW1 to the effect that the designs drawing found in the said UK Patent No 2153004A is very different from the plaintiff's works. It tells two important things, namely the housing design of UK Patent No 2153004A is different from the plaintiff's works and also the gearbox for UK Patent No 2153004A is of a completely different design than the plaintiff's.

[38] It is for all these reasons, in my view, the design drawings for the 'automatic swing gate actuator' were created with sufficient skill and effort by PW1. PW1 had expended sufficient efforts to make the works original in character.

[39] So far, I have dealt with the issue pertaining to the originality of the plaintiff's works.

[40] At this point, I move on to deal with the question whether the plaintiff is the owner of the copyright at the material time. In relation to this, s 26(2)(b) of the Act provides, inter alia, where a work is made in the course of the author's employment, the copyright in such work shall be deemed to have transferred to the author's employer, subject to any agreement excluding or limiting such transfer. By virtue of this provision, evidently copyright in the design drawings have transferred from PW1 to the plaintiff by virtue of his employment with the company.

[41] Still more important than all this, PW1 has duly executed a statutory declaration on behalf of the plaintiff claiming ownership to the copyright subsisting in the first and second works pursuant to s 42 of the Act. I will quote the relevant provision that is relevant to the current discussion. Section 42 of the Act provides:

> 42 Affidavit admissible in evidence
>
> (1) An affidavit or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be —
>
> (a) The owner of the copyright in any works eligible for copyright under this Act stating that:
>
> (i) At the time specified therein copyright subsisted in such work;
>
> (ii) He or the person named therein is the owner of the copyright; and
>
> (iii) A copy of the work annexed thereto is the true copy thereof; ...
>
> Shall be admissible in evidence in any proceedings under this Act and shall be prima facie evidence of the facts contained therein.

[42] Abdul Mallik Ishak J (as he then was) explained the rationale for s 42 of the Act in *Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* [2005] 3 MLJ 552; [2005] 1 CLJ 200 as follows:

> It is quite apparent that s 42 of the Copyright Act 1987 prescribes the manner of proving copyright subsistence and ownership of works. It provides that an affidavit or statutory declaration to be made by the copyright owner or persons authorised by the copyright owner and such affidavit or statutory declaration shall be admissible in any proceedings as prima facie evidence of the facts contained therein. It is obvious that s 42 of the Copyright Act 1987 was enacted to facilitate and ease the process of proving copyright ownership. It is a concession of a sort. It circumvents the requirement of having to produce supporting documentary evidence, which may be antiquated and voluminous. Section 42 of the Copyright Act 1987 places the burden on the infringer to dispute and challenge the prima facie evidence adduced by the copyright owner. I must say that the plaintiff has acted prudently and has complied with the requirements of s 42 of the Copyright Act 1987 when the plaintiff through the deponent has affirmed the following facts:
>
> (a) that copyright subsists in the works;
>
> (b) that the plaintiff is the owner of the copyright subsisting in the works; and
>
> (c) That copies of the works are annexed as the true copies thereof.
>
> Even the statutory declarations have been exhibited as exhs 'TTC4 (i) to (vi)' at pp 179–229 of encl 4. Therefore, I say that these facts are prima facie evidence of the plaintiffs claim to subsistence and ownership of copyright in the works.
>
> The nagging issue left is this: whether the defendant has raised any fact, which rebuts the prima facie evidence as stated above? I agree that the defendant has not raised any cogent evidence to dispute the prima facie evidence of subsistence or ownership of copyright. To me, there is nothing in the statement of defence as per encl 5 nor in the defendant's affidavits as per encls 6 and 10 which raise any factual evidence to doubt the subsistence of copyright in the plaintiff's works. As I see it, the defendant merely raise bare denials as set out in paras 4 and 6 of encl 6.

[43] PW1's averments in the said statutory declaration have not been successfully challenged or rebutted by the defendants. Even though learned counsel for the defendants did cross-examine PW1 on the originality of the drawings, PW1 had consistently maintained that he was the maker of the first and second works and that they were original and not copied from any other sources, as suggested by the counsel for the second and third defendants. His evidence was not rebutted at all.

[44] It would be pertinent to reproduce hereunder the observations made by Gopal Sri Ram JCA (as he then was) in *Microsoft Corporation v Yong Wai Hong* [2008] 3 MLJ 309 at p 318:

In the present case, the appellant filed an affidavit which complies with s 42(1) of the Copyright Act 1987. The effect of that is to provide prima facie evidence of the fact of the appellant's ownership of the copyright over the several works in question. It was then for the respondent to offer positive evidence to displace the appellant's prima facie ownership, for example, by showing that some other person in the true owner of the claimed copyright. However, that, as has already been seen, is not what the defendant did. As such no triable issue was raised before the learned judge as to ownership of the copyright over the relevant works.

[45] On this issue, I cannot accept the argument of learned counsel for the defendants that the statutory declaration is a fabrication and concoction. In my view, all the prerequisites laid down in the relevant provision have been fulfilled. It is untenable to argue that just because the statutory declaration was made 14 years later, therefore it must be a fabrication and concoction. The reason for this is that the Act does not bar the admission of the statutory declaration, which is affirmed subsequent to the creation of the copyrighted works. There is merit in the argument of learned counsel for the plaintiff to the effect that there is no legal requirement that the statutory declaration should be made contemporaneously with the creation of the works.

[46] Finally, there is one crucial question, which remains to be answered: whether the second and third defendants' automatic swing gate actuator infringes the plaintiff's copyright subsisting in the first and second works for the automatic swing gate actuator and/or the 3-dimentional form thereon.

[47] According to s 36 of the Act, copyright is infringed by any person who does, or causes any other persons to do, without the license of the owner of the copyright, an act the doing of which is controlled by copyright under the Act.

[48] Amongst the acts that are controlled by copyright under the Act (ie s 13(1)) which are relevant in the present case to be *the exclusive right to control in Malaysia*:

(e) The distribution of the copies of the work to the public by sale, rental, lease or lending,

Of the whole work or a substantial part thereof, either in its original or

Derivative form ...

[49] The elements required for establishing copyright infringement are set out in *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)*. There, Low Hop Bing J (now JCA) puts it thus at p 536:

The essential elements constituting copyright infringement have been set out by Sir Rymond Evershed MR in *Purefoy Engineering Co Ltd In addition, Another v Sykes Boxall & Co Ltd & Ors* [1955] 72 RPC 89. Prof Dr Khaw Lake Tee adopted these elements in *Copyright Law in Malaysia* (1994) at pp 87–88 as follows:

> For purposes of direct infringement, it must be established that:
>
> (a) There is *sufficient objective similarity* between the original work or a substantial part thereof, and the infringing copy;
>
> (b) there is a *causal connectio*n between the original work and the infringing copy, that is, the infringing copy must have been copied from the original work, whether directly or indirectly; and
>
> (c) What has been infringed must constitute a *substantial part of the original work*. (Emphasis added.)

[50] Hence, to prove direct infringement of copyright, it must be established that there is sufficient objective similarity between the original work and a substantial part of thereof, and the infringing copy. In the following paragraph, the matter is made clearer by the learned judge in *Megnaway Enterprise Sdn Bhd v Soon Lian Hock (sole proprietor of the firm Performance Audio & Car Accessories Enterprise)*:

> There could be infringement even though the imitation is not an exact replica. It does not matter whether the size of the copy has been increased or reduced, or whether the whole or part of the original was copied. There need not be an exact reproduction, but there must be a high degree of similarity between the two: *AUVI Trademark*, per Chao Hick Tin J.
>
> In copyright law, once substantial similarity is established, a prima facie presumption of copying by the defendant arises and the burden is shifted to the defendant to rebut the causal connection. Where the defendant has failed to rebut this presumption, the second element is fulfilled.

[51] In the present case, the plaintiff has adduced evidence of an actual causal connection between the second and third defendants' automatic swing gate actuator with the plaintiff's first and second works and the plaintiff's automatic swing gate actuator through the following.

[52] PW1 has testified that the first work and the second work, which PW1 had finalised in 1992, were used consistently until this date and there were no changes made to the designs since 1992. The second or third defendant did not challenge this fact. During the period between November 1999 and December 2000, the second and third defendants was an agent and/or dealer of the plaintiff's 'Comex' brand automatic swing gate actuator. PW1 had explained in his witness statement that even though the actuators were marketed under different brands, they were all having the same design as shown in the first work

and the second work. In light of all these, being a dealer of the plaintiff's automatic swing gate actuator, the second and third defendants must have acquired in-depth knowledge about and very familiar with the plaintiff's product before they were able to sell it to their potential customers.

[53] In the copyright infringement case of *Honda Giken Kogyo Kabushiki Kaisha v Allied Pacific Motor (M) Sdn Bhd & Anor* [2005] 3 MLJ 30, Suriyadi J (as he then was) approached the issue of infringement as follows at p 46:

> With my observation of the pictures and drawings of the registered designs and those under copyright protection, together with the similarities as noted in my notes of proceedings, it was an effortless exercise to conclude that the similarities were conspicuously obvious, and one too many at that. If I were a potential buyer of any of the plaintiffs genuine products, and merely depending on sight, but not for the logo or brand name, I would certainly be misled and denied the truth of its authenticity, and wrongfully buy the defendants' vehicle (*Redland Tiles Ltd & Ors v Kua Hong Brick Tile Works* [1966] 2 MLJ 62). During my visual inspection there was no necessity on my part to resort to external aid or expert evidence before arriving at the conclusion that the registered industrial designs or the copyrighted works of the plaintiff had been imitated, and on the face of it, compromised.

[54] As for the third element, ie whether the part that is infringed forms a substantial part of the original work, Gunn Chit Tuan J (later CJ (M) in *Longman Malaysia Sdn Bhd v Pustaka Delta Pelajaran Sdn Bhd* [1987] 2 MLJ 359; [1987] 1 CLJ 588 held that this is a 'matter of fact and degree ... not because of the physical amount of the reproduction but because of the substantial significance of that which was copied'.

[55] In determining what constitutes 'substantial part of the original work', I refer to Professor Khaw Lake Tee in *Copyright Law in Malaysia*, who cited *Ibcos Computers Ltd v Barclays Merchantile Highland Finance Ltd* [1994] FSR 275 and explained as follows:

> Where discrete parts of the plaintiff's work have been copied or where the similarities are sufficiently numerous or extensive to support an inference of copying, it is more likely than not that a substantial part of the work has been copied.

[56] Jacob J on the other hand in *Ibcos Computers Ltd v Barclays Merchantile Highland Finance Ltd* [1994] FSR 275 was reported to have observed the following at p 277 Held (10) and (11):

> On the facts there was an overwhelming inference of copying ... Where a defendant has manifestly copied but denied any copying the proper inference is that similarities not explained by independent evidence are due to copying and not to his programming style.

[57] Applying the above principles, in the same way, I have carried out a visual comparison between the plaintiff's first and second works (and the 3-dimensional reproductions of the plaintiff's automatic swing gate actuator (exh P4) (which were made from the first work and the second work) and the second and third defendants' automatic swing gate actuator (exh P16). In comparing, I observe and find, inter alia, the profound similarities between exhs P4 and P16, which can be briefly described as follows:

(a) The dimensions and the positioning of the eight screw holes of P16 and P4 are exactly the same;

(b) The surface design of the top plate, ie the positioning of the four 'lines' or 'ridges' and the 'rectangular box' for embossing the brand name are almost identical;

(c) The design and positioning of the 'out-head socket' are almost identical;

(d) The surface design of the housing (also known as the bottom plate) are the same;

(e) The design of the gearbox is the same. The gearbox of the plaintiff's P4 is fastened to the bottom of the top plate using four screws. The gearbox housing protects the gearbox, which is square. The gearbox housing is with ridges embossed on its three sides. The gearbox housing contains hexagonal shaped design and concentric circles. All these characteristics are found in P16.

[58] More than that, DW1 also admitted that the top plate of the plaintiff's automatic swing gate actuator fitted perfectly into the bottom housing of the second and third defendants' automatic swing gate actuator. This is most important considering, during the cross examination, the second defendant (DW1) also conceded that there are substantial similarities between the plaintiff's exh P4 and the second and third defendants' exh P16.

[59] In the end, given the substantial similarities between the second and third defendants' automatic swing gate actuator and the plaintiff's automatic swing gate actuator that can be observed, an inference of copying by the second and third defendants cannot be avoided.

[60] In my judgment, having regard to the substantial similarities between the second and third defendants' automatic swing gate actuator and the plaintiff's automatic swing gate actuator, a prima facie presumption of copying arises. The similarities between the plaintiff's automatic swing gate actuator and the second and third defendants' automatic swing gate actuator constitutes a substantial part of the original work, ie the size, shape and design of the top plate (particularly the surface decoration like the five 'ridges', rectangular box

for embossing the trade mark which are not functional at all) and bottom housing, the dimensions and positioning of the eight screw holes, the design and positioning of the out-head socket and the design of the gearbox. The fact that the top plate of the plaintiff's actuator can be screwed into (the eight screw holes) and fitted perfectly with the lower housing of the defendants' actuator is too much a coincidence to be disregarded. The fact that these two component parts of the plaintiff and the second and third defendants' actuators can be used interchangeably give rise to an irresistible inference of copying on the part of the second and/or third defendants.

[61] In my view, the second and third defendants failed to justify the substantial and inexplicable similarities between their automatic swing gate actuator and the plaintiff's automatic swing gate actuator.

[62] The second and third defendants had alleged that they had never sold any automatic swing gate actuator bearing the model 'CMX Model 909'. Their case is that they had never sold to the plaintiff's investigator PW2 the 'CMX model 909 Automatic Swing Gate Actuator'. The second and third defendants further alleged that at all material times they were selling the old CMX model automatic swing gate actuator. The second and third defendants have failed to produce a single shred of evidence to substantiate their claim that they were selling the so-called 'old CMX Model'. There is no invoice, purchase order or even letter of justification from the original manufacturer, which supports their bare averment.

[63] On the contrary, PW2 has testified that he bought the infringing product from the second defendant. I accept the evidence of PW2 to the effect that he bought the infringing product (exh P16) from the second defendant. During the execution of the Anton Piller on 23 August 2005, the supervising solicitor, Mr Ong Boo Seng (PW4) and the solicitor for the plaintiff, Mr Muhammad Azrul bin Abdul Hamid (PW3) found 28 pieces of 'CMX Model 909' brochures at the second defendant's premises. This is consistent and fits the context with what PW2 has said that he obtained the brochure for 'CMX Model 909' from the second defendant premises on 30 June 2005.

[64] Therefore, to sum it up, based on all the previously mentioned reasons, in my judgment, the plaintiff has established a case of copyright infringement against the second and third defendants by virtue of the following irrefutable facts:

(a) There is copyright subsisting in the first and second works for the plaintiff's automatic swing gate actuator belonging to the plaintiff;

(b) The plaintiff did not consent to or give any authorisation for the second and third defendants to sell the automatic swing gate actuator;

(c) On 30 June 2005, the second defendant sold to PW2 a set of CMX Model 909 automatic swing gate actuator;

(d) There is sufficient objective similarity between the plaintiff's automatic swing gate actuator and the second and third defendants' automatic swing gate actuator;

(e) There is a causal connection between the plaintiff's automatic swing gate actuator and the second and third defendants' automatic swing gate actuator through the inference of copying (based on the substantial similarities) and more importantly, the knowledge obtained by the second defendant when he acted as the plaintiff's agent and/or dealer between November 1999 to December 2000.

[65] As a result, I allow the plaintiff's claim against the second and third defendants. I accordingly grant an order in terms of prayers 1, 2, 3 and 5 of the plaintiff's amended statement of claim.

[66] The counterclaim of the second and third defendants is unsustainable and accordingly I dismiss it.

Plaintiff's claim against second and third defendants allowed and second and third defendants' counterclaim dismissed.

Reported by Kohila Nesan